

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 4357 TO BE ANSWERED ON 20.12.2024**

**Domestic Production of Fertilizers**

**4357: SHRI P P CHAUDHARY:**

Will the Minister of Chemicals and Fertilizers be pleased to state:

- (a) the specific initiatives taken to increase domestic fertilizer production capacity during the last three years, along with the increase in production achieved therefrom;
- (b) whether any assessment has been conducted regarding demand-supply gap in fertilizers, State-wise; if so, the steps taken to address shortages thereof;
- (c) the number of public-private partnership projects approved for fertilizer production enhancement, along with their capacity and implementation status; and
- (d) whether any measures have been implemented to ensure timely availability of fertilizers at affordable prices to farmers, if so, the details thereof and impact on farm input costs?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS  
**(SMT. ANUPRIYA PATEL)**

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**(a):** With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector. Total 6 new urea units have been set up under NIP-2012 which includes 4 urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 urea units set up by the private companies. The units set up through JVC are Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd (RFCL) in Telangana and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar, respectively. The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology. Therefore, these units have together added urea production of 76.2 LMTPA thereby total production urea production capacity has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA at present.

In addition, the Government also notified the New Urea Policy (NUP) – 2015 on 25<sup>th</sup> May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production. The NUP-2015 has led to additional production of urea by 20-25 LMTPA as compared to the production during 2014-15.

These steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24.

With regard to P&K Fertilizers, the Government has implemented Nutrient Based Subsidy Policy w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content. The P&K sector is decontrolled and the fertilizer companies manufacture/import fertilizers as per the market dynamics. To enhance the domestic production and supply of fertilizers in India, the Government has notified Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer under Nutrient based subsidy (NBS) scheme.

The details of production of fertilizers in the country during last three years are given below:-

**(In LMT)**

<b>Years</b>	<b>Urea</b>	<b>P&amp;K</b>
2021-22	250.72	185.23
2022-23	284.94	200.35
2023-24	314.07	189.26

**(b):** Department of Agriculture & Farmers Welfare (DA&FW) assesses the requirement for major fertilizers viz. UREA, DAP, MOP and NPKS fertilizers, before each cropping season (viz. Kharif & Rabi) through “Zonal Conference for Agricultural Inputs”. Based on the assessment done by DA&FW, Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability position. These supplies are met through indigenous production as well as imports.

**(c):** Presently, there are no such specific public-private partnerships.

**(d):** Under the Urea Subsidy Scheme, Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers are being supplied urea at the subsidized rate.

Under Nutrient Based Subsidy (NBS) scheme, subsidy is fixed keeping in view international prices of key fertilizers & raw materials and fluctuations, if any, are subsumed while fixing NBS rates for P&K fertilizers annually / bi-annually. During Kharif 2024, the subsidy per MT in respect of DAP was ₹21676 whereas during Rabi 2024-25, the subsidy per MT in respect of DAP has been fixed at ₹21911. In addition, in order to ensure smooth availability of DAP at affordable prices to farmers, Government has provided special packages on DAP over and above the NBS subsidy rates on need basis. In 2024-25, the Government has approved one-time special package on DAP beyond the NBS rates on actual PoS (Point of Sale) sale of DAP for the period from 01.04.2024 till 31.12.2024 @ ₹ 3500 per MT to the P&K fertilizer companies with approximate financial implication of ₹2625 crores to ensure sustainable availability of DAP at affordable prices to the farmers and support the agriculture sector and related activities and strengthen food security scenario in the country.

Further, the following steps are taken by the Government every season for ensuring timely and adequate supply of fertilizers in the country:

- i. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the state-wise & month-wise requirement of fertilizers.
- ii. On the basis of requirement projected, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.
- iii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS);
- iv. Regular Weekly Video Conference is conducted jointly by DA&FW and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch fertilizers as indicated by the State Governments.
- v. The gap between demand (requirement) and production of fertilizers is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

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